

## Message Text

LIMITED OFFICIAL USE

PAGE 01 LIMA 11063 231217Z

ACTION EB-08

INFO OCT-01 ARA-10 ISO-00 CIAE-00 DODE-00 NSAE-00  
NSCE-00 SSO-00 USIE-00 INRE-00 SP-02 AID-05  
TRSE-00 SS-15 STR-05 OMB-01 CEA-01 COME-00 FRB-03  
INR-07 XMB-02 OPIC-03 LAB-04 SIL-01 FS-01 ABF-01  
/070 W

-----002434 231219Z /11

O 222221Z DEC 77

FM AMEMBASSY LIMA

TO SECSTATE WASHDC IMMEDIATE 8019

LIMITED OFFICIAL USE LIMA 11063

E.O. 11652: N/A

TAGS: EFIN, PE

SUBJECT: EXCHANGE RATE MOVEMENT: DECEMBER 15-22

REF: LIMA 10924

1. FOREIGN EXCHANGE OPERATIONS HERE HAVE TAKEN A NEW TURN  
BEGINNING DECEMBER 15 AND INDICATE A MILD APPRECIATION OF THE  
SOL AND A CONVERGENCE OF OFFICIAL RATES AND COMMERICAL BANK  
RATES.

2. REPORTED BELOW ARE EXCHANGE RATE MOVEMENTS SINCE WEDNESDAY,  
DECEMBER 14. COLUMN A REPORTS THE OFFICIAL BUYING RATE  
AVERAGE BY THE SUPERINTENDENCY OF BANKS BASED ON DAILY OPERATIONS.  
COLUMN B REPORTS THE EMBASSY'S "PREVAILING" RATE  
WHICH IS BASED ON THREE DAILY COMMERICAL BANK BIDS AND DOES  
NOT CHANGE UNLESS THE EXCHANGE RATE MOVEMENT IS MORE THAN  
ONE PERCENT. COLUMN C REPORTS THE BUYING RATE AVAILABLE  
FOR DOLLAR ACCOMODATION EXCHANGE FOR U.S. MISSION PERSONNEL  
(DIRECTLY FROM BANCO CONTINENTAL).

	A	B	C
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DECEMBER15	122.50	133.50	137.50
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DECEMBER 16	125.17	133.50	136.50
DECEMBER 19	127.81	133.50	135.560
DECEMBER 20	129.22	133.50	134.50
DECEMBER 21	131.39	133.50	133.50
DECEMBER 22	N.A.	131.50	132.50

3. THE SPREAD BETWEEN THE OFFICIAL RATE AND THE COMMERICAL

BANK RATE HAS NARROWED AND BY TOMORROW CONVERGENCE MAY BE OBTAINED. THE CONVERGENT TENDENCY SUGGESTS THAT THE AVERAGES BEING TUILIZED BY THE SUPERINTENDENCY OF BANKING AND INSURANCE ARE NOW EXCLUDING INTRA-PUBLIC SECOTR SWAPS MADE AT OLD RATES AND THAT THE COMMERICAL BANKS ARE NO LONGER BIDDING AS STRONGLY FOR FOREIGN EXCHANGE AS PREVIOUSLY.

4. THE BUYING QUOTATIONS MADE TO THE EMBASSY BY BANK OF AMERICAN HAS DECREASED FROM S/.135. ON DECEMBER 15 TO S/.132 ON DECEMBER 22 THE CITIBANK BUYING RATE QUOTATION HAS REMAINED UNCHANGED AT S/.130 (WITH EXCEPTION OF DECEMBER 16 S/.131). THE BANCO CONTINENTAL BUYING QUOTATION HAS DECREASED BY ONE SOL PER DAY SINCD DECEMBER 15.

5. COMMENT. AS ONE SOURCE INFORMED US EARLIER THIS WEEK IT MAY BE THAT A GENTLEMEN'S AGREEMENT OF SOME TYPE HAS BEEN ENTERED INTO BY WHICH THOSE COMMERICAL BANKS WHOSE QUOTATIONS WERE DEEMED TOO FAR OUT OF LINE WITH THE MARKET AGREED TO REDUCE THEIR BUYING AND SELLING RATES, REPORTEDLY BY ONE SOL PER DAY (SEE COL. C IN PARA. 2, ABOVE). IN ANY CASE, THE SEVERE SCRAMBLE FOR FOREIGN EXCHANGE WHICH HAD DRIVEN UP THE RATES LAST WEEK (REFTEL HAS SUBSIDED, AT LEAST TEMPORARILY. SHLAUDEMAM

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## Message Attributes

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**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Disposition Date:** 22 May 2009  
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**Disposition History:** n/a  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
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**Reference:** 77 LIMA 10924  
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**TAGS:** EFIN, PE  
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**Review Markings:**  
Margaret P. Grafeld  
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